

Texas Population Growth, Projections, and Implications

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The Shifting Demography of Texas

“Rich natural resources, abundant land, a central location within the United States and a business-friendly environment have long attracted both immigrants and U.S. natives to Texas. As a result, the state’s population is faster growing, younger and more diverse than the nation’s. These rapid demographic changes present challenges for the future. [...] Hispanics, already a dominant force in Texas, are expected to become the majority population group by 2020. The significant increase in this population (both immigrant and native) has far-reaching implications for education, housing and the labor force.”

D’Ann Petersen and Laila Assanie, Federal Reserve Bank of Dallas

Population and Population Change in Texas, 1950-2010

Table 1

TEXAS		Change in Population	
Year	Population	Numerical	Percent
1940	6,414,824	-	-
1950	7,711,194	1,296,370	20.21%
1960	9,579,677	1,868,483	24.23%
1970	11,196,730	1,617,053	16.88%
1980	14,229,191	3,032,461	27.08%
1990	16,986,510	2,757,319	19.38%
2000	20,851,820	3,865,310	22.76%
2010	25,145,561	4,293,741	20.59%

According to the 2010 Census, Texas has a total population of 25,145,561.

From 2000 to 2010, the total population of the state of Texas increased by 4,293,741 persons, from 20,851,820 in 2000 to 25,145,561 in 2010. Thus, the total population grew by 20.59%.

Over the past 50 years, the greatest population growth was recorded for the period 1970-1980. Driven primarily by the Texas oil boom, the state's total population grew by 27.08% during this time period.

Source: U.S. Census Bureau

Population and Population Change in the United States, 1950-2010

Table 2

UNITED STATES		Change in Population	
Year	Population	Numerical	Percent
1940	131,669,275	-	-
1950	150,697,361	19,028,086	14.45%
1960	179,323,175	28,625,814	19.00%
1970	203,302,031	23,978,856	13.37%
1980	226,545,805	23,243,774	11.43%
1990	248,709,873	22,164,068	9.78%
2000	281,421,906	32,712,033	13.15%
2010	308,745,538	27,323,632	9.71%

Source: U.S. Census Bureau

Based on the 2010 Census, the United States has a total population of 308,745,538.

From 2000 to 2010, the nation's total population grew by 27,323,632 persons, from 281,421,906 in 2000 to 308,745,538 in 2010.

Thus, the total population of the United States grew by 9.71%.

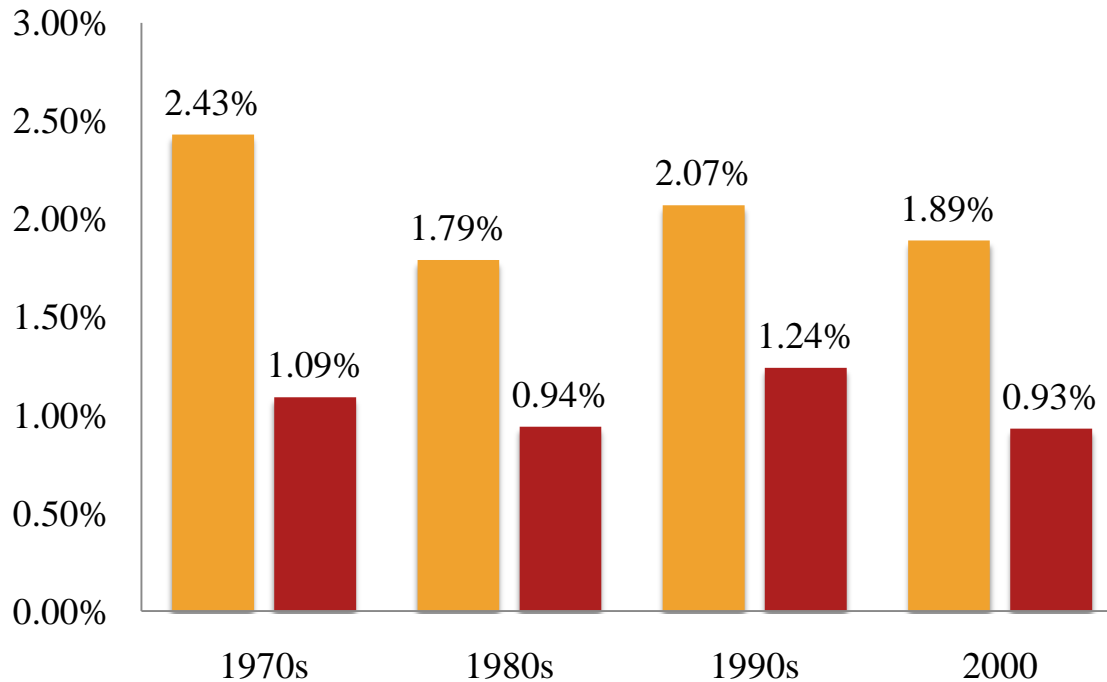
Over the past 50 years, the greatest population growth was recorded for the period 1950-1960, mainly driven by the baby boomers. During this time period, the nation's total population rose by 19.00%.

Texas and U.S. Population Growth, 1970-2000

Annual Growth Rate

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Figure 1



Source: U.S. Census Bureau

■ Texas ■ U.S.

Since the 1970s, Texas has grown faster than the nation.

During the Texas oil boom of the 1970s, Texas more than doubled the nation's population growth.

Even with the late-2000s financial crisis, the state's population grew by 1.89% annually, increasing almost twice as fast as the nation's.

The state's historically high birth rates and a strong pace of net migration have contributed to a growing population (see *Table 3* in the next slide).

Total Population and Components of Population Change in Texas, 1950-2009

Table 3

Year*	Population	Total Increase	Natural Increase**	Net Migration***	Percent Change	Percent Change Due To	
						Natural Increase	Net Migration
1950	7,711,194	-	-	-	-	-	-
1960	9,579,677	1,868,483	1,754,652	113,831	24.23%	93.91%	6.09%
1970	11,196,730	1,617,053	1,402,683	214,370	16.88%	86.74%	13.26%
1980	14,229,191	3,032,461	1,260,794	1,771,667	27.08%	41.58%	58.42%
1990	16,986,510	2,757,319	1,815,670	941,649	19.38%	65.85%	34.15%
2000	20,851,820	3,865,310	1,919,281	1,946,029	22.76%	49.65%	50.35%
2009	24,782,302	3,930,482	2,124,124	1,806,358	18.85%	54.04%	45.96%

* All values for the decennial dates are for the indicated census year. Values for 2009 are for July 1 as estimated by the U.S. Census Bureau.

** Natural increase is defined as births less deaths.

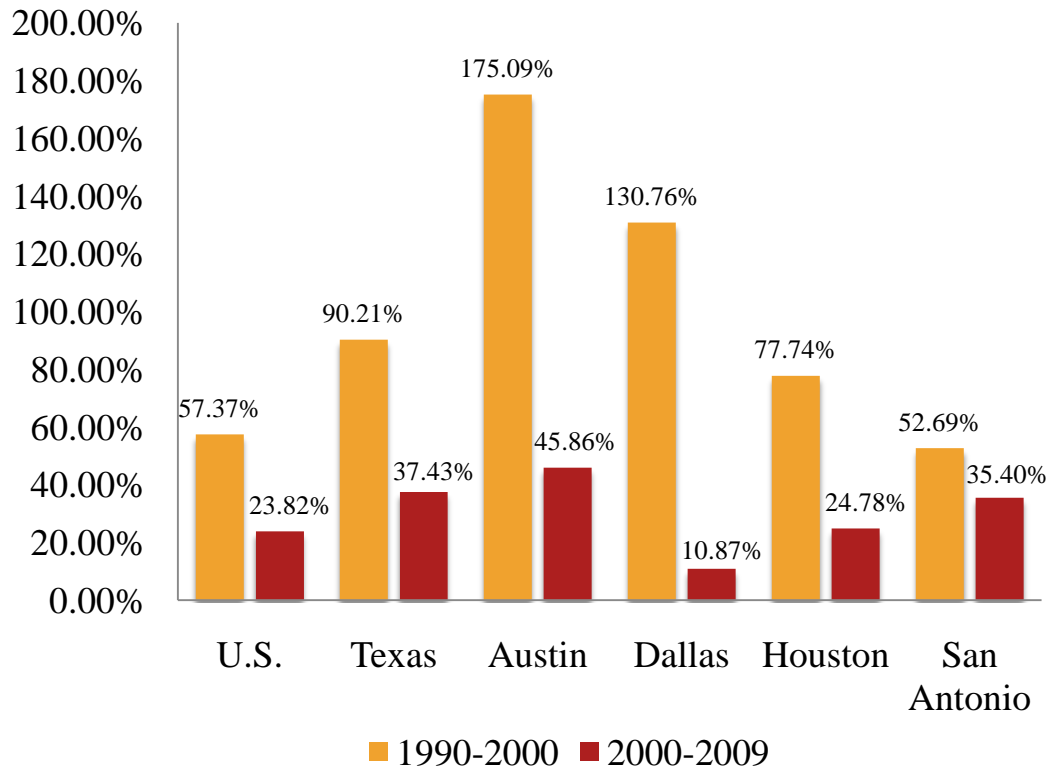
*** Net migration is defined as the total number of immigrants less the annual number of emigrants, including both citizens and noncitizens.

Source: U.S. Census Bureau

Growth of the Foreign-Born Population, 1990-2000 and 2000-2009

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Figure 2



Source: U.S. Census Bureau;
Texas State Data Center

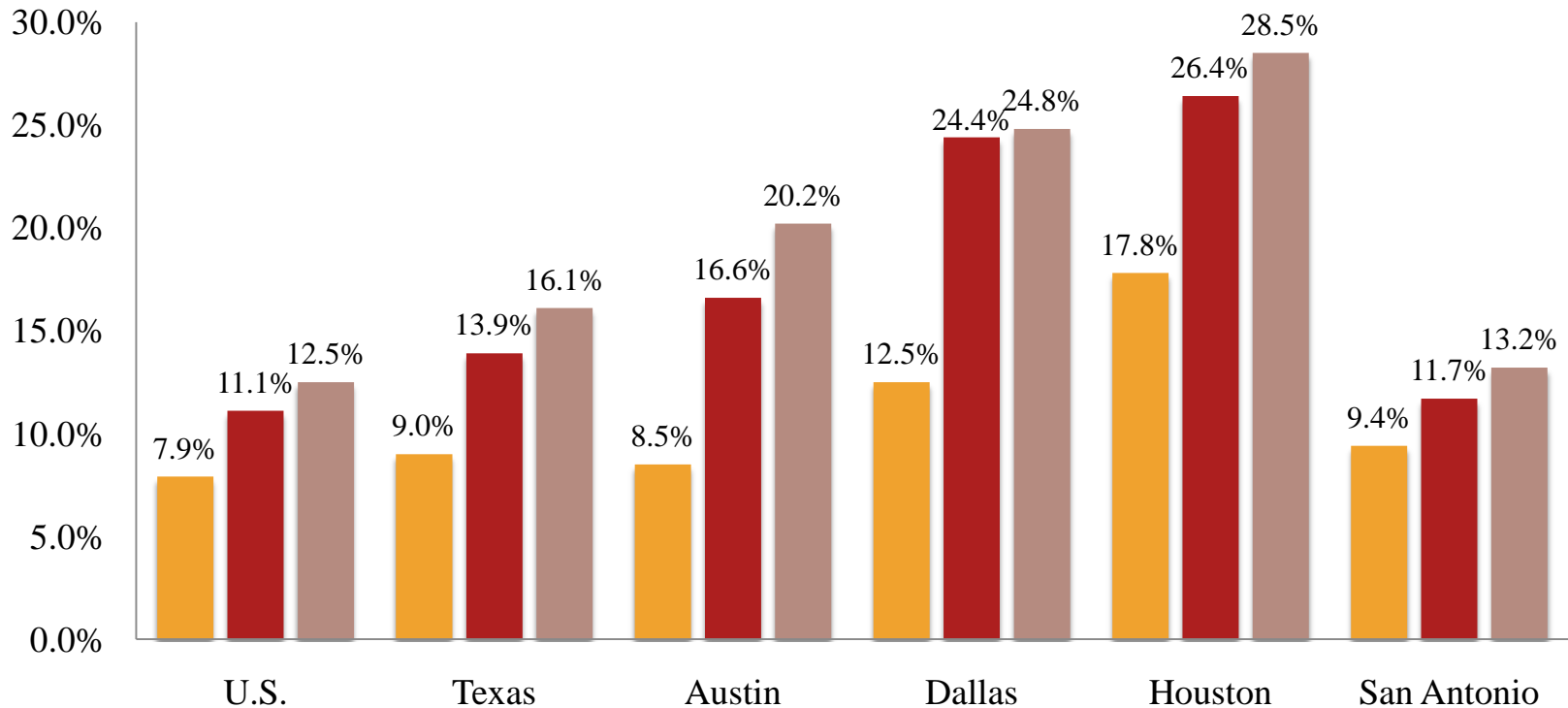
The foreign-born population share in Texas rose significantly during the 1990s. Thus, from 1990 to 2000, the foreign-born population in the state rose by 90.21%. In comparison, the foreign-born population at the national level increased by 57.37% during this time period.

During the 1990s, Austin, among all major Texas metropolitan areas, experienced the largest relative increase of the foreign-born population, well above the state average of 90.21%. Of Texas' major metros, Houston (77.74%) and San Antonio (52.69%) recorded foreign-born growth rates below the state average.

Shares of the foreign-born in the U.S., Texas, and in the major metros are shown in *Figure 3* in the next slide.

Share of the Foreign-Born Population, 1990, 2000, and 2009

Figure 3

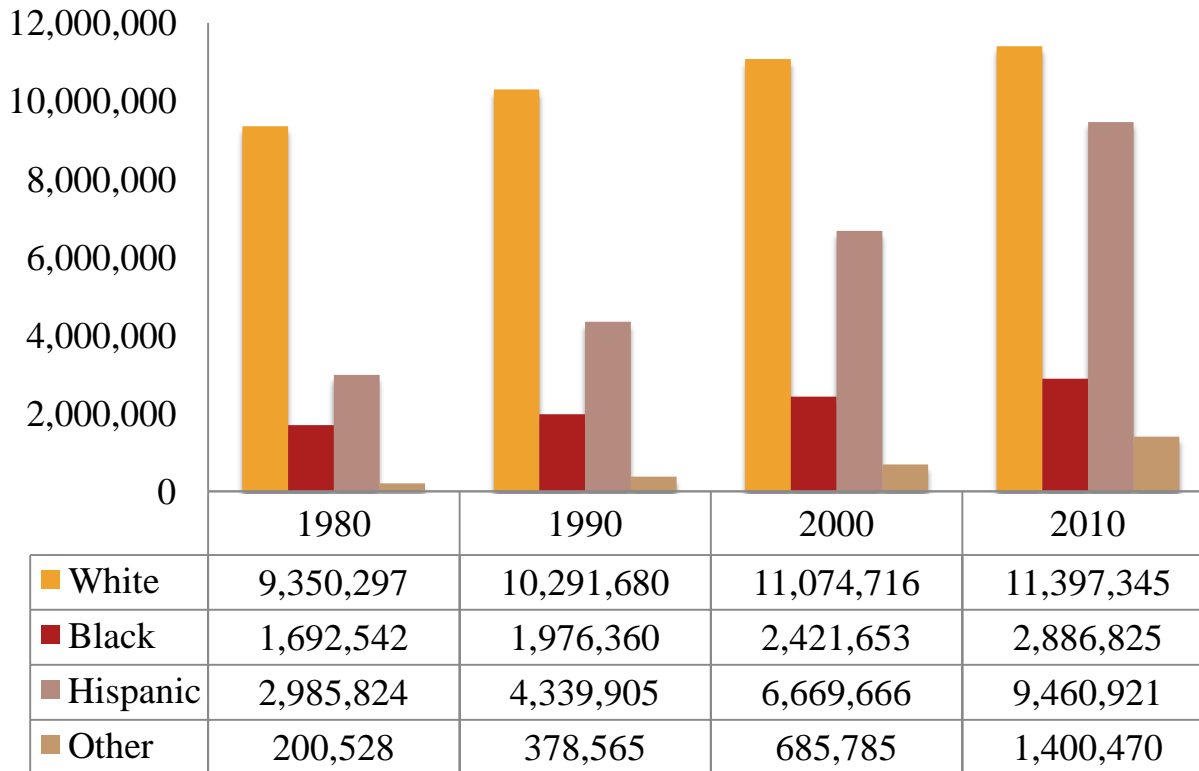


Source: U.S. Census Bureau;
Texas State Data Center

■ 1990 ■ 2000 ■ 2009

Texas Population by Race and Ethnicity, 1980-2010

Figure 4



Source: U.S. Census Bureau;
Texas State Data Center

Over the past three decades, Texas' population has changed much in regard to its racial and ethnic background.

While the number of Whites and Blacks has experienced only slight increases over the period 1980-2010, the number of the state's Hispanics has seen considerable growth.

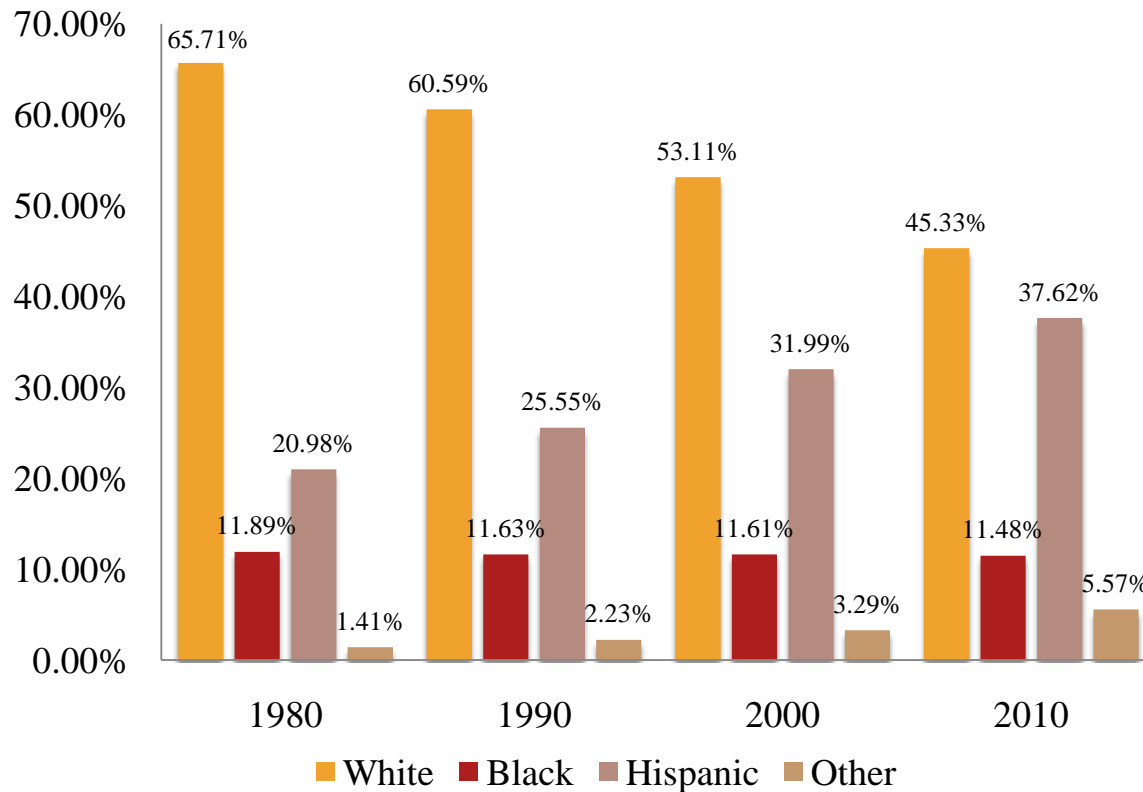
From 2000 to 2010, Texas' Hispanic population increased by 41.85%, while the state's White and Black population grew by 2.91% and 19.21%, respectively.

Shares of the Texas population by race and ethnicity are shown in *Figure 5* in the next slide.

Share of the Texas Population by Race and Ethnicity, 1980-2010

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Figure 5



Source: U.S. Census Bureau;
Texas State Data Center

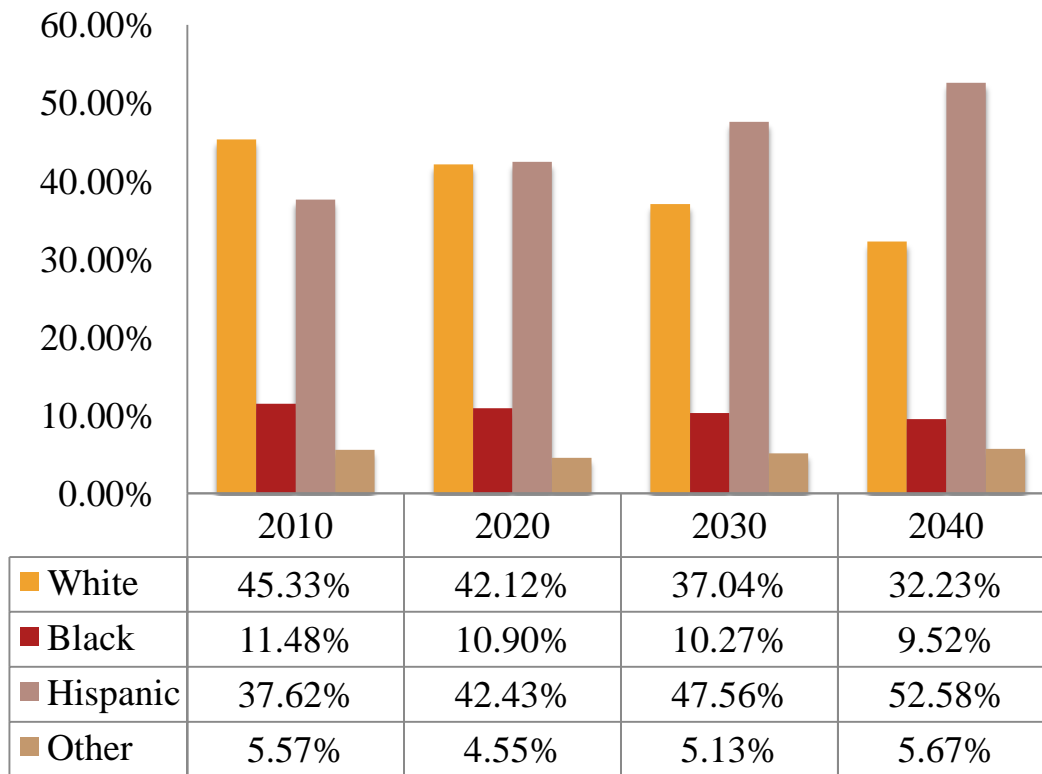
During the time period 1980-2010, the share of Texas' White population has fallen, while the share of the Hispanic population has significantly increased. The share of the state's Black population has remained rather constant.

The strong rise in Texas' Hispanic population has far-reaching implications. Hispanics' higher-than-average birth rate, which drives the growth in this population, suggests that this group will continue to grow at a more rapid pace than that of Whites and Blacks. Additionally, Hispanics, on average, are younger, which has ramifications for housing, education, and the work force.

In 2010, the median age of Hispanics in Texas was 26.7 versus 40.9 for Texas Whites. This compares with the median age for all Texans of 33.4 and for the United States of 36.9.

Projected Proportion of Texas Population by Race and Ethnicity, 2010-2040

Figure 6



Note: Assuming net migration rate is half that of 1990-2000.

Source: U.S. Census Bureau; Texas State Data Center

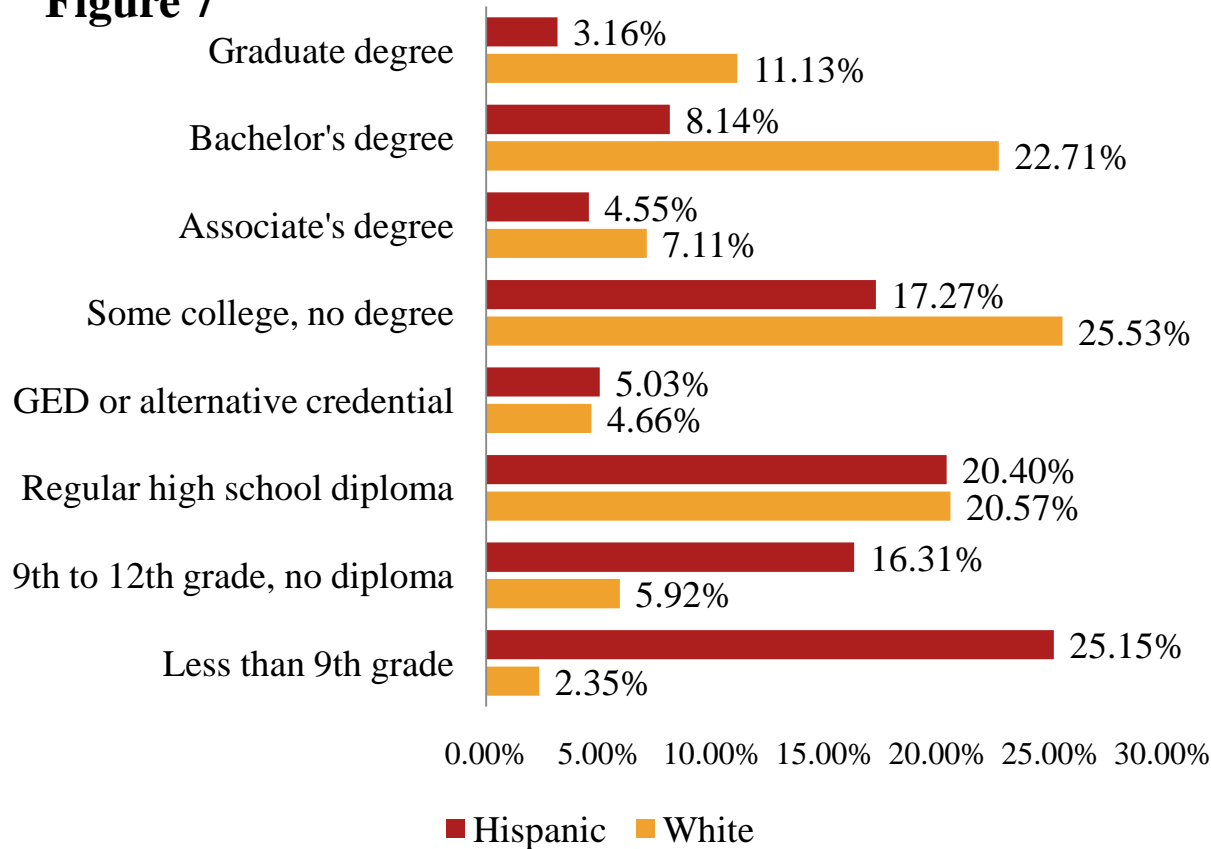
Texas' population will change in two major ways over the next several decades: in diversity and in age.

According to estimates by the Texas State Data Center, by 2020, Hispanics will make up the majority of the state's population, while Whites will fall to the second-most-populous ethnicity. By 2040, Hispanics will account for over 50% of all Texans.

Large disparities mark socioeconomic conditions among Texas' racial and ethnic groups. Compared with their White counterparts, the state's Hispanics tend to have lower levels of education (see *Figure 7*), have lower wages (see *Figure 8*), and depend more on state services. This is partly a result of immigration. Without changes in socioeconomic conditions, this suggests that Texas' future population could be less educated, less competitive, poorer, and more in need of state services.

Educational Attainment by Race and Ethnicity Among Population 25 Years or Older in Texas, 2010

Figure 7



Source: U.S. Census Bureau

Much of the education disparity in Texas is due to rapid Hispanic immigration into the state: immigrants' income and education levels tend to be much lower than natives.

According to the Texas State Data Center, Hispanics are expected to make up the majority of the labor force in Texas by 2040. If the education disparity between Whites and Hispanics continues, the state economy could face several important challenges.

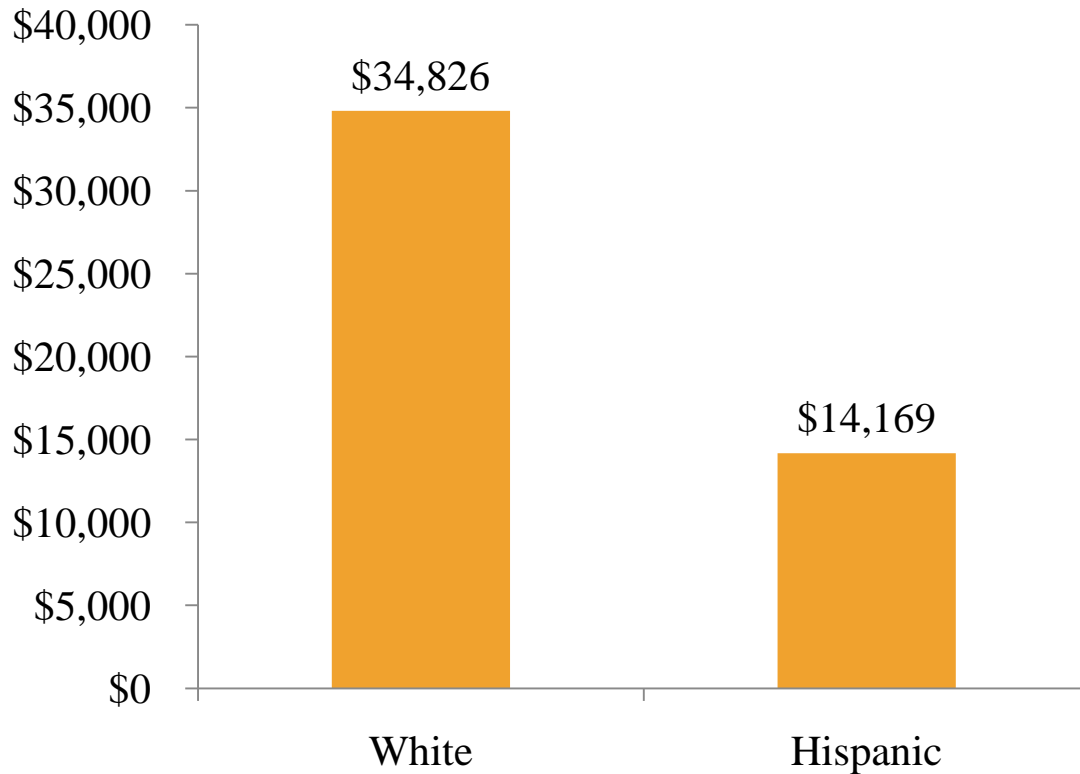
First, by 2040, about 30% of the Texas labor force will not have a high school diploma, up from 19% in 2000. If that occurs, a higher percentage of Texas' labor force would be less educated and low skilled, potentially making the state economy less competitive.

Second, empirical studies show that low education levels are associated with lower income levels. Thus, failure to complete high school or college negatively impacts average earnings.

Per Capita Income by Race and Ethnicity in Texas, 2010

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Figure 8



Note: All data are in 2010 inflation-adjusted dollars.

Source: U.S. Census Bureau

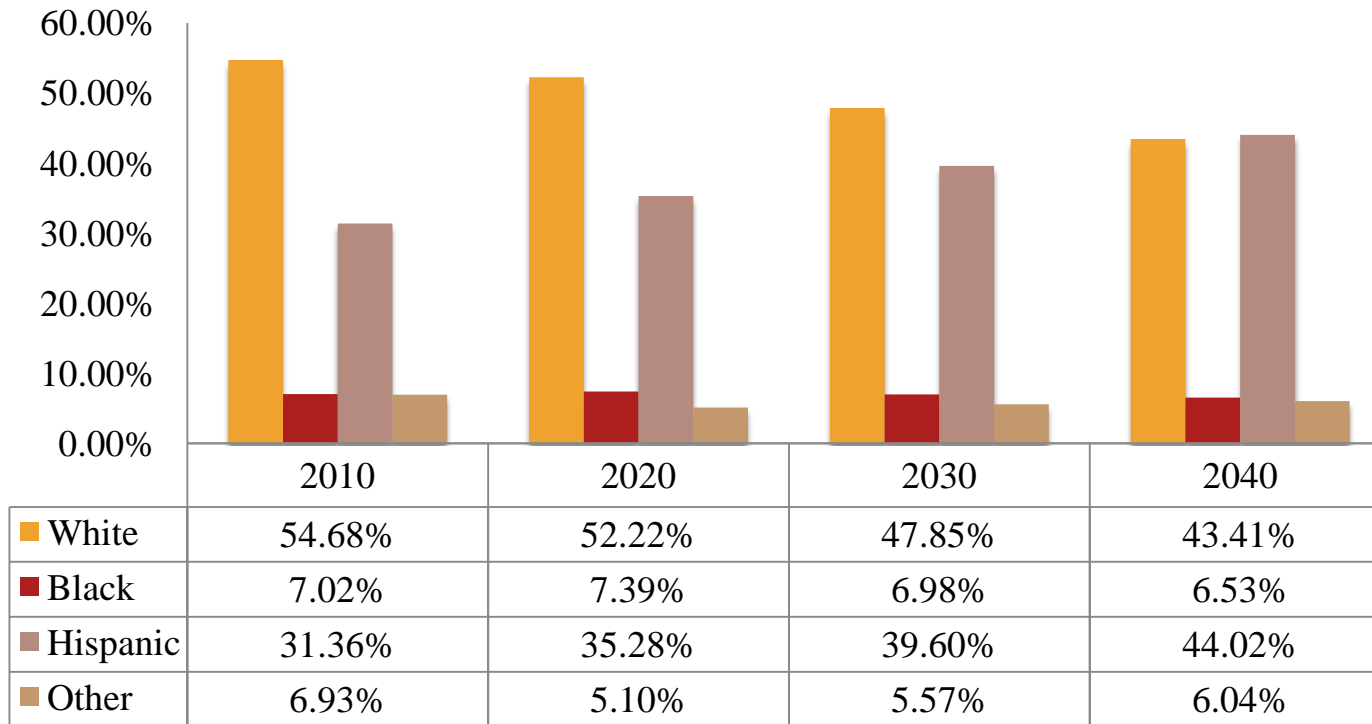
The existing income differential between Whites and Hispanics could lead to a large share of Texans being drawn into poverty in the future.

According to the Texas State Data Center, the percentage of households with annual incomes of \$25,000 or less is projected to increase from 31% (in 2000) to 38% by 2040. Furthermore, the share of families with earnings exceeding \$100,000 will fall from 12% to 9%. The net impact could be a decline in real income, reduced tax revenue per household, and increased burden on the state government to pay for welfare services in Texas.

As Texas is likely to depend progressively more on Hispanic Texans for future tax revenues, it is important to lessen the existing income gap and educational differential between Hispanics and Non-Hispanics.

Projected Proportion of *Austin-Round Rock* Population by Race and Ethnicity, 2010-2040

Figure 9

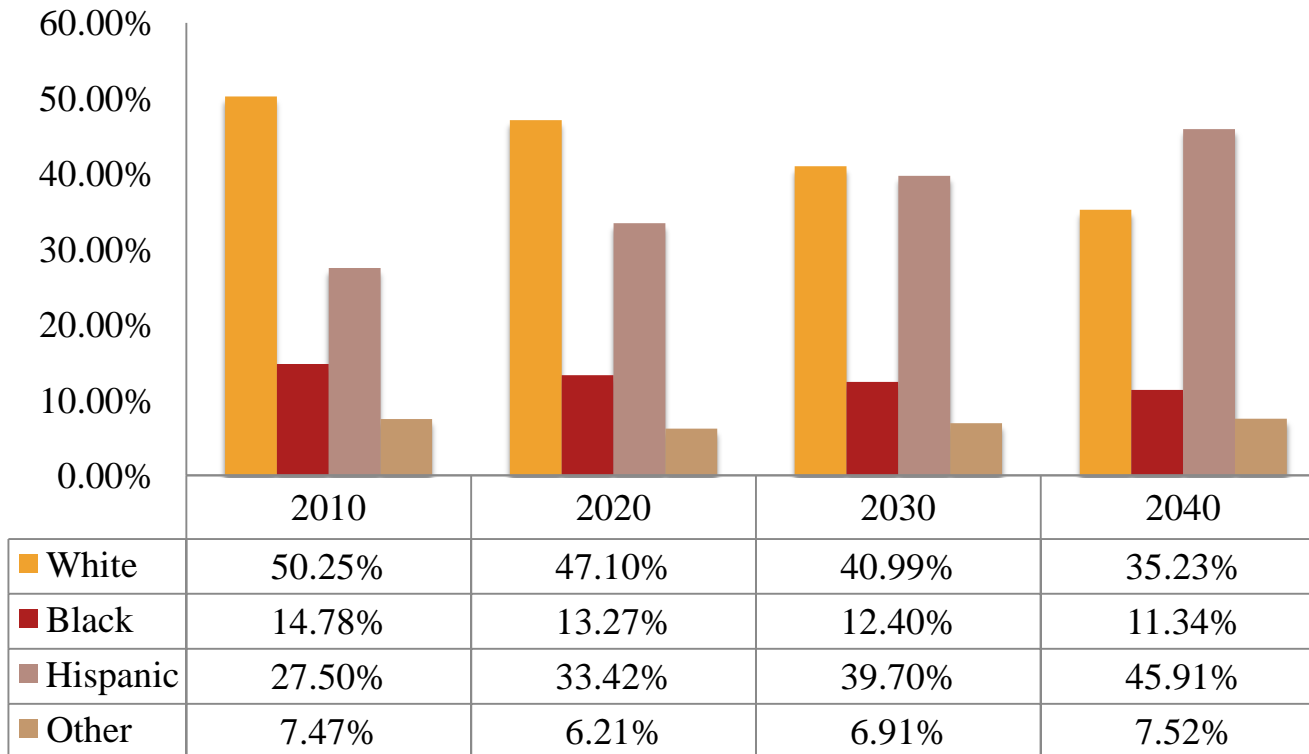


Note: Assuming net migration rate is half that of 1990-2000.

Source: U.S. Census Bureau; Texas State Data Center

Projected Proportion of *Dallas-Fort Worth-Arlington* Population by Race and Ethnicity, 2010-2040

Figure 10

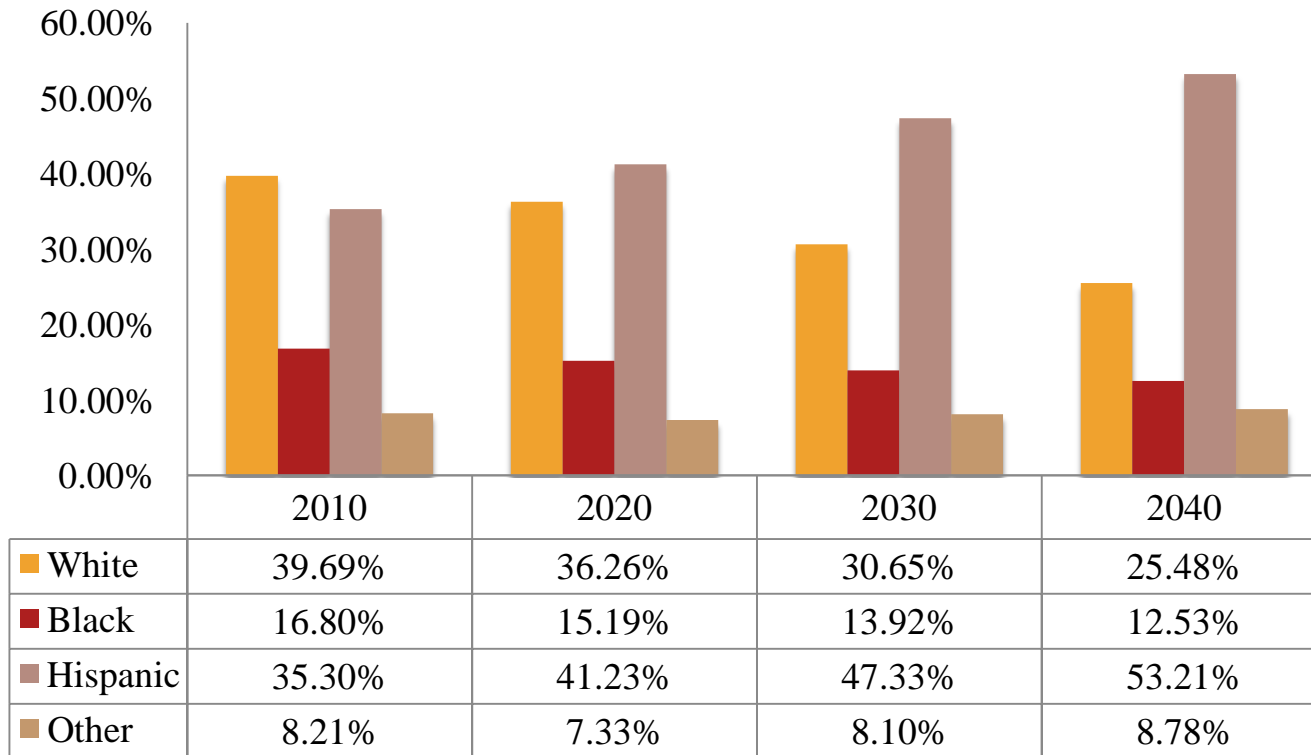


Note: Assuming net migration rate is half that of 1990-2000.

Source: U.S. Census Bureau; Texas State Data Center

Projected Proportion of *Houston-Sugar Land-Baytown* Population by Race and Ethnicity, 2010-2040

Figure 11

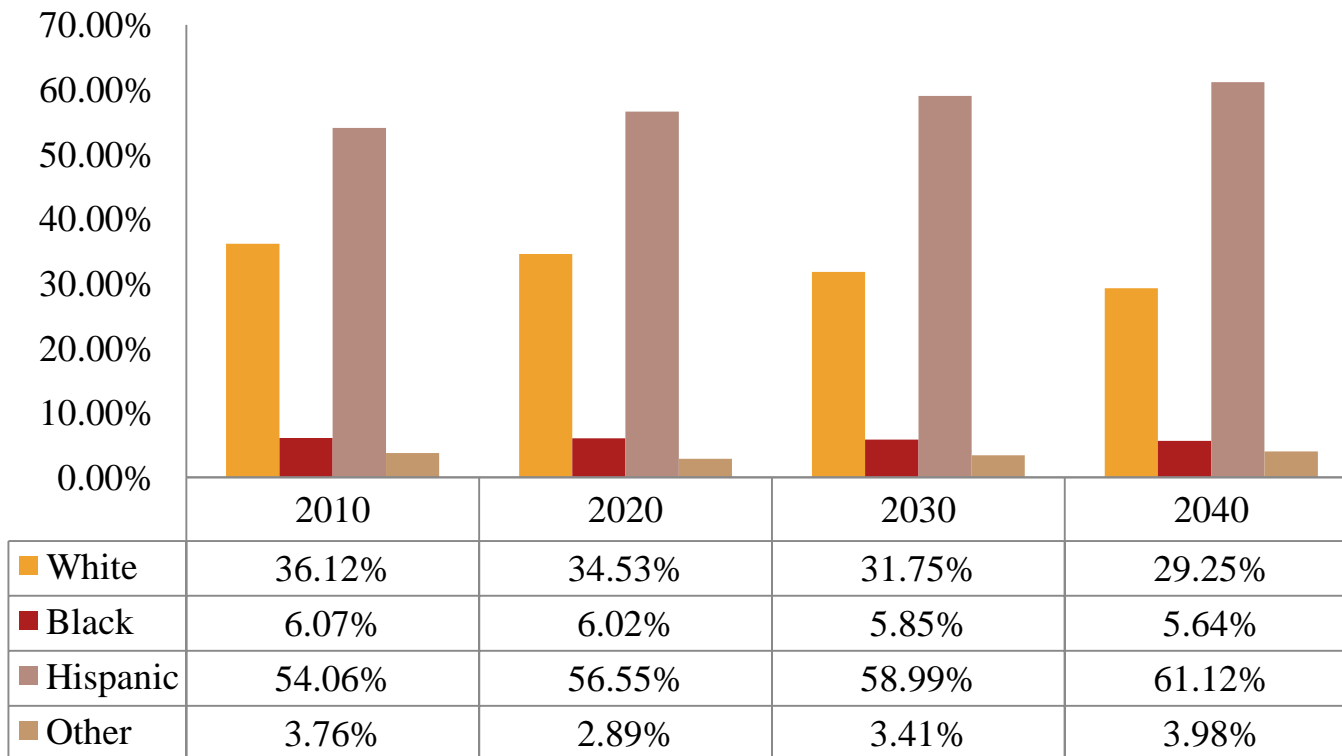


Note: Assuming net migration rate is half that of 1990-2000.

Source: U.S. Census Bureau; Texas State Data Center

Projected Proportion of *San Antonio-New Braunfels* Population by Race and Ethnicity, 2010-2040

Figure 12

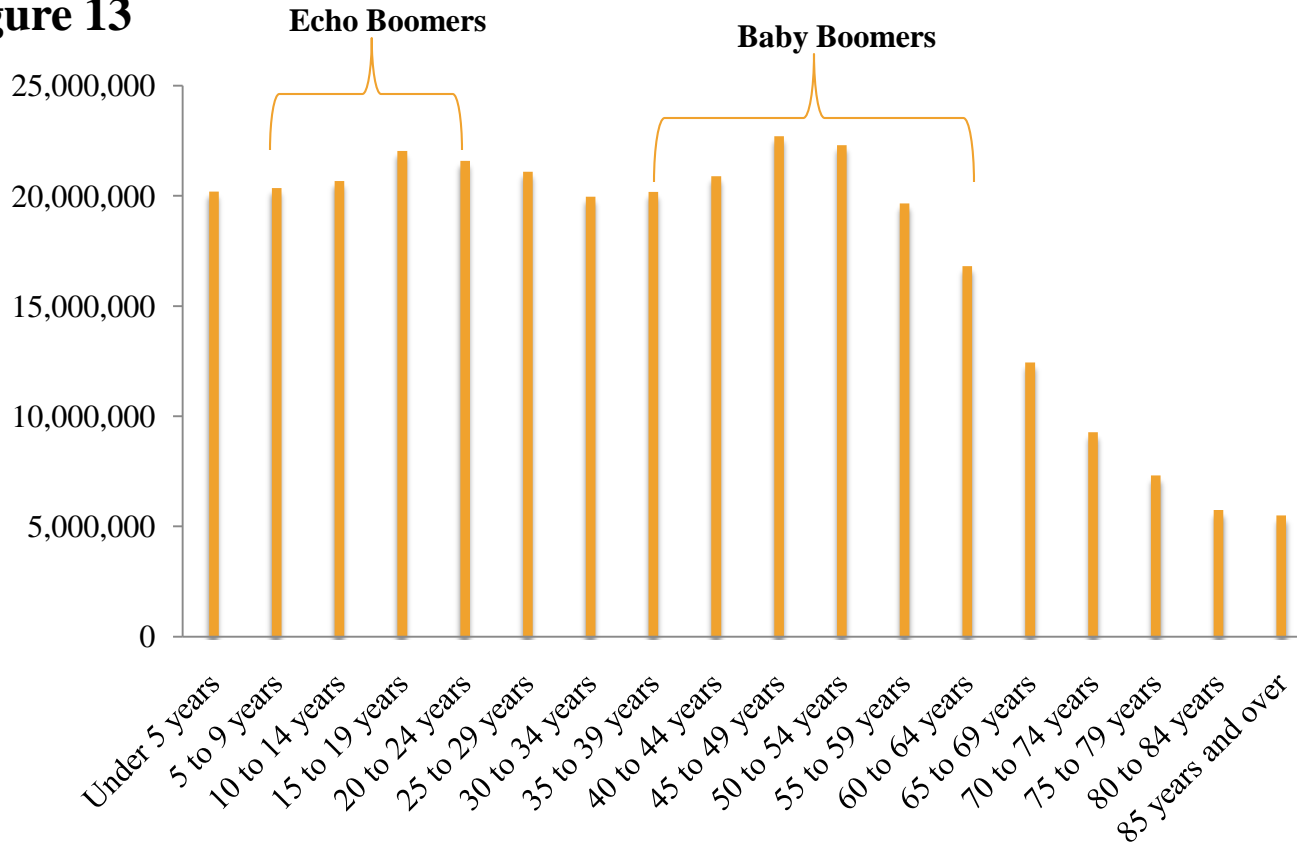


Note: Assuming net migration rate is half that of 1990-2000.

Source: U.S. Census Bureau; Texas State Data Center

U.S. Population by Age, 2010

Figure 13



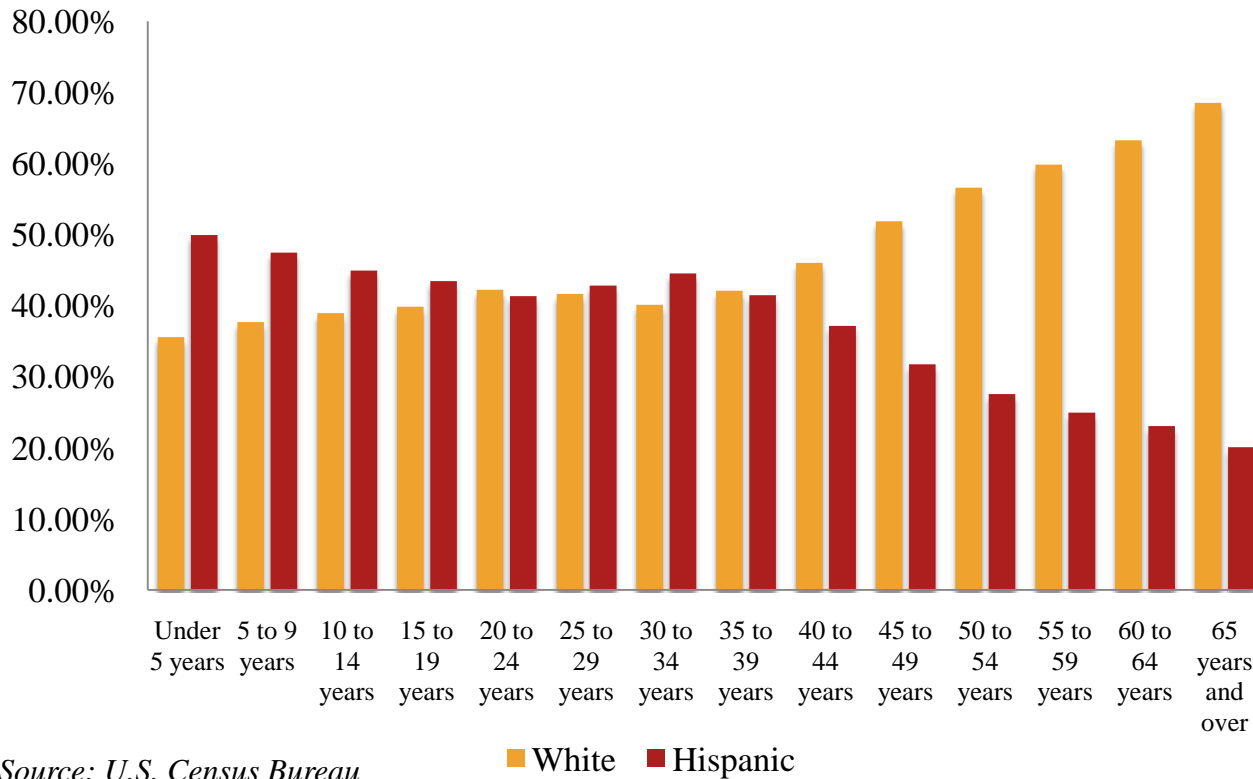
Source: U.S. Census Bureau

Texas' overall population, like the nation's, is growing older. This aging is mainly a result of the maturing of the largest segment of the nation's population: the baby boom generation.

The youngest of the baby boom generation will turn 60 by 2024. As they retire, they will put large demands on the Social Security system and other government programs for the elderly. Furthermore, the baby boomers may drive housing demand toward move-up or second homes.

Texas Population by Age and Ethnicity, 2010

Figure 14



Source: U.S. Census Bureau

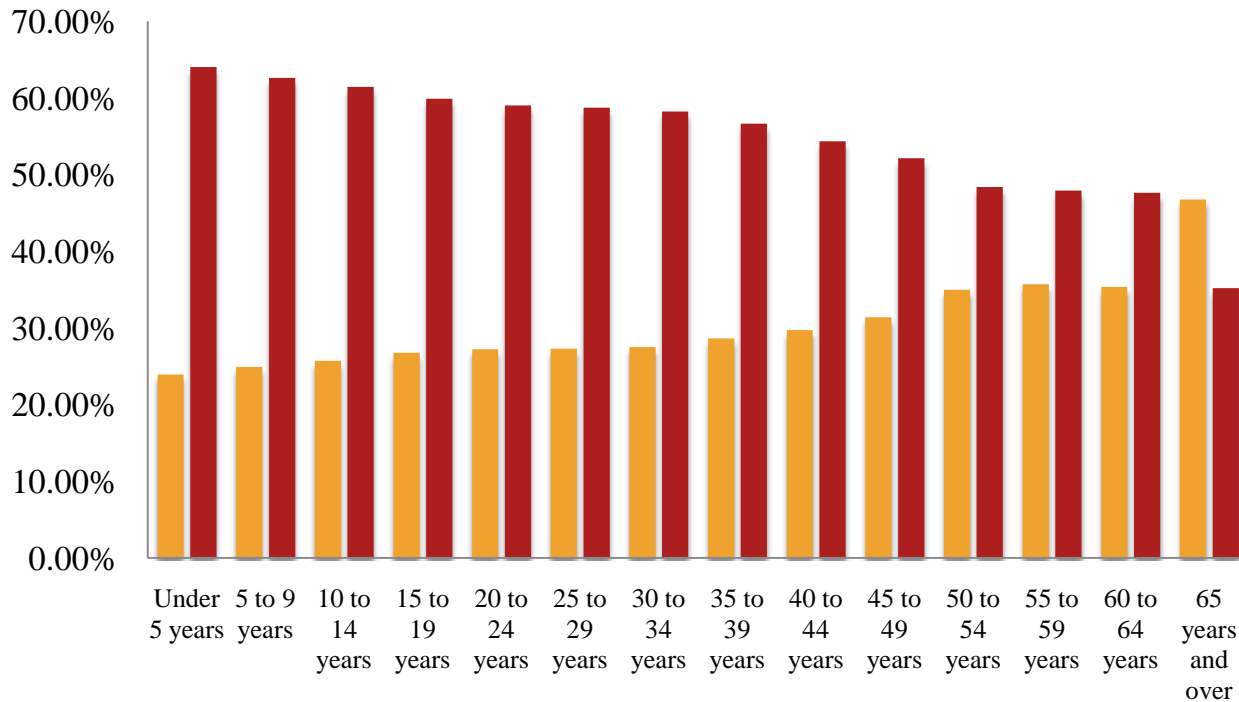
■ White ■ Hispanic

One factor that may moderate Texas' aging population is that the fast-growing Hispanic population has a different age structure than the White population.

In 2010, the state's population in age groups over 35 was predominantly White. For instance, in 2010, 59.85% of Texans aged 55-59 were White compared with 24.97% that were Hispanic. On the other hand, of Texans aged 5 and under, 49.94% were Hispanic, while 35.60% were White.

Texas Population by Age and Ethnicity, 2040

Figure 15



Assuming further rapid growth of Texas' Hispanic population, Hispanics will make up a much higher percentage of most age groups by 2040, with only those 65 years and over being predominantly White.

The age differential between the Hispanic and the White populations has important implications for education, housing, and state services.

Source: U.S. Census Bureau

■ White ■ Hispanic

Poverty Characteristics of United States, Texas, and Its Major and Border Metropolitan Areas, 1989-2010

Table 4

Place	Individuals below poverty			Percent below poverty		
	1989	1999	2010	1989	1999	2010
U.S.	31,742,864	33,899,812	40,917,513	13.1%	12.4%	13.8%
Texas	3,000,515	3,117,609	3,972,054	18.1%	15.4%	16.8%
Austin-Round Rock- San Marcos	129,942	134,589	220,577	15.9%	11.1%	13.9%
Brownsville-Harlingen	101,362	109,288	135,270	39.7%	33.1%	34.7%
Dallas-Forth Worth-Arlington	322,604	384,146	812,558	12.3%	11.1%	13.4%
El Paso	155,298	158,722	194,454	26.8%	23.8%	25.6%
Houston-Sugar Land-Baytown	494,457	572,410	840,268	15.1%	13.9%	15.0%
Laredo	50,116	59,339	70,879	38.2%	31.2%	29.8%
McAllen-Edinburg-Mission	159,216	201,865	251,650	41.9%	35.9%	34.4%
San Antonio-New Braunfels	252,301	234,478	317,801	19.5%	15.1%	15.8%

Source: U.S. Census Bureau; Texas State Data Center

While the poor live all over the state, the border metropolitan areas fare worst, with the highest poverty rates.

Even though poverty rates fell in the border metros during the 1990s as the economy boomed, the percentage of the population below poverty level remained well above the state average of 15.4% in 1999.

In contrast, poverty levels in the major Texas metros have rarely been above the state average.

Sources

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“The Changing Face of Texas: Population Projections and Implications,” by D’Ann Petersen and Laila Assanie, Federal Reserve Bank of Dallas, October 2005. http://dallasfed.org/research/pubs/fotexas/fotexas_petersen.html

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Texas State Data Center
<http://txsdc.utsa.edu/Reports/Subject/>



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